

Message Text

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ORIGIN AGRE-00

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-07 STR-04 TRSE-00
FEA-01 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
EPG-02 AID-05 SS-15 ITC-01 USIA-06 PRS-01 SP-02
OMB-01 XMB-02 OPIC-03 /106 R

DRAFTED BY USDA:FAS:ITP:TOD:NFRANCIS:LPP
APPROVED BY EB/OT/TA:DDUNFORD
USDA:FAS:ITP:GWHITE
USDA:FAS:ITP:GSINDELAR
EB/OT/TA:TWESTON
STR:JSTARKEY
TREASURY:WWORTHEN
EB/OFPP/FPD:JRICHARDSON
EUR/CAN:DBLAKEMORE

-----091209Z 126503 /43

R 082304Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA
INFO USMISSION GENEVA

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USMTN ALSO FOR USMISSION

E.O. 11652: N/A

TAGS:ETRD, CA, EAGR

SUBJECT: TARIFF BOARD PROPOSALS FOR FRUIT AND VEGETABLE
IMPORT PROTECTION

REF: (A) OTTAWA A-150; (B) STATE 105939; (C) OTTAWA 03835;
(D) MTN GENEVA 4143
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1. EARLIER ASSESSMENTS SUGGESTED THAT THE GOC WAS NOT
LIKELY TO ACT ON THE TARIFF BOARD'S RECOMMENDATIONS ON
FRESH FRUITS AND VEGETABLES FOR SEVERAL MONTHS. AMB.
GREY, IN A CONVERSATION WITH USDA ASSISTANT SECRETARY
HATHAWAY INDICATED THAT GOC ACTION SHOULD BE VIEWED AS
INEVITABLE AND IMMINENT WITH ARTICLE XXVIII NEGOTIATION ON

BOUND FRUIT AND VEGETABLE ITEMS A DISTINCT POSSIBILITY. USG ALSO IS RECEIVING MANY QUERIES AND EXPRESSIONS OF CONCERN FROM BOTH CONGRESS AND THE HORTICULTURAL INDUSTRY. SINCE CANADA IS BY FAR THE LARGEST EXPORT MARKET FOR U.S. FRUIT AND VEGETABLE PRODUCTS, GOC IMPLEMENTATION OF THE BOARD'S PROPOSALS WOULD HAVE VERY SEVERE IMPACT ON THE U.S. HORTICULTURAL INDUSTRY AND WOULD COMPLICATE MTN IN SEVERAL AREAS, PARTICULARLY TARIFFS AND SAFEGUARDS. IT IS IMPORTANT THAT USG REGISTER A VIGOROUS, EARLY PROTEST IN AN ATTEMPT TO AVERT SUCH UNFORTUNATE ACTION. ACCORDINGLY,

THE EMBASSY SHOULD DELIVER A NOTE AT THE APPROPRIATE LEVEL OF THE GOC CONTAINING THE FOLLOWING POINTS:

2. BEGIN TEXT. THE USG IS SERIOUSLY CONCERNED ABOUT THE CANADIAN TARIFF BOARD PROPOSAL FOR INCREASES IN IMPORT DUTIES AND AUTOMATIC SURTAXES ON IMPORTS OF FRESH FRUIT AND VEGETABLES. SUCH ACTION WOULD HAVE A SEVERE ECONOMIC IMPACT ON THE U.S. FRUIT AND VEGETABLE INDUSTRY, SOME SEGMENTS OF WHICH ARE HEAVILY DEPENDENT ON THE CANADIAN MARKET. OVER 50 PERCENT OF CANADA'S IMPORTS OF FRESH FRUIT AND VEGETABLES FROM THE U.S. WOULD BE AFFECTED, WITH AN ESTIMATED TRADE VALUE OF APPROXIMATELY 230 MILLION DOLLARS BASED ON 1976 DATA. THE PROPOSAL IF IMPLEMENTED WOULD CLEARLY RESULT IN IMPAIRMENT OF A LARGE NUMBER OF GATT CONCESSIONS AND WOULD FORCE THE U.S. TO CONSIDER VARIOUS WAYS TO RESTORE THE BALANCE OF CONCESSIONS.

-- USG IS ALSO CONCERNED WITH THE SERIOUS EFFECTS SUCH A LIMITED OFFICIAL USE

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CHANGE IN IMPORT DUTIES MIGHT HAVE ON THE WELL ESTABLISHED TIES IN BORDER TRADE IN FRESH FRUIT AND VEGETABLES.

-- THE CANADIAN PROPOSAL WOULD SERIOUSLY UNDERMINE EFFORTS IN THE MTN DIRECTED AT REDUCING BARRIERS TO TRADE IN AGRICULTURAL PRODUCTS AS WELL AS PROGRESS ON OTHER IMPORTANT MTN ISSUES SUCH AS SAFEGUARDS.

-- THE USG STRONGLY URGES THE GOC TO REFRAIN FROM IMPLEMENTING THE TARIFF BOARD PROPOSAL AND URGES EARLY CONSULTATIONS BEFORE ANY FURTHER ACTION IS TAKEN ON THE PROPOSAL. END TEXT.

3. FYI. USDA IS NOW ANALYZING TRADE IMPACT PROPOSAL WOULD HAVE ON INDIVIDUAL EXPORT ITEMS. U.S. WOULD BE PREPARED TO CONSULT WITH GOC AS EARLY AS WEEK OF JUNE 20. END FYI.

4. EMBASSY SHOULD REPORT GOC REACTION TO DELIVERY OF NOTE ASAP. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FRUIT, POLICIES, IMPORT CONTROLS, TARIFFS, VEGETABLES
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE132750
Document Source: CORE
Document Unique ID: 00
Drafter: FAS:ITP:TOD:NFRANCIS:LPP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770205-1122
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770676/aaaacoxi.tel
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Litigation Codes:
Litigation History:
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Original Previous Classification: n/a
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